

18 February 2026

Charles Millsteed
Chief Executive Officer
Queensland Competition Authority (QCA)
GPO Box 2257
Brisbane, QLD 4001

By email: charles.millsteed@qca.org.au

Dear Mr Millsteed,

Submission to the QCA interim consultation on regulated retail electricity prices 2026-27

Thank you for the opportunity to respond to the interim consultation paper issued by the Queensland Competition Authority (QCA) regarding regulated retail prices, known as 'notified' prices, to apply in the Ergon Energy area (regional and rural Queensland) from 1 July 2026 to 30 June 2027. The interim consultation paper is in response to a delegation from the Queensland Minister for Energy ('the Minister'). QCOSS engaged Etrog Consulting to provide detailed technical advice in making this submission, and this advice is **attached**. In this cover letter we provide an overview of the key issues and recommendations.

About QCOSS

QCOSS' vision is for equality, opportunity and wellbeing for every person in every community in Queensland. As part of that vision, we see every household confidently using the energy they need to stay well without taking on debt or make trade-offs between essentials, such as healthcare, energy, food and housing.

This submission has been guided by consumer-focused members of the QCA Consumer Advisory Committee and informed by QCOSS' engagement with consumer interest organisations. This includes our Essential Services Consultative Group (ESCG), which draws on the community service sector's experience in supporting people with lived experience of poverty and vulnerability.

QCOSS' position

As discussed in our [Living Affordability in Queensland Report](#), our research has found that many people do not have enough money to get by, especially those in regional areas or on low incomes. Regulatory pricing decisions relating to essential services, such as energy, materially impact people's financial wellbeing and their opportunities to engage and participate in economic and social activities. The cost of energy remains a key issue for communities across regional Queensland and must be front of mind for the QCA.

Solar Sharer Offer (SSO)

QCA should proceed to a draft determination including a solar sharer tariff option. QCA should remain open to a further decision on whether solar sharer is included in the QCA's final determination, depending on national progress with the current regulatory update, and Australian Energy Retailer (AER) Default Market Offer (DMO) considerations on solar sharer.



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Electric vehicle (EV) tariff

If Ergon Energy Retail proposes an EV tariff, QCA should engage in a consultative process that considers what protections customers ought to be afforded on this tariff. It should be an additional tariff, not mandatory for EV users, and it should add to, not detract from, consumer choice. If undertaken in this manner, there should be no customer detriment because of having an EV tariff in place.

Standing Offer Adjustment (SOA)

The SOA should be removed from the notified prices determination for 2026-27. We generally have not supported the idea of an SOA. It lacks transparency, and we are advised that there is evidence that customers attribute this or any value to standard contracts as against market contracts.

Default Market Offer (DMO) comparison

QCA should continue to adopt a network and retail cost ('N+R') approach to setting notified prices, with DMO adjustment, divorced from the SOA (which would cease to exist). The DMO comparison can be called simply 'DMO adjustment', restoring transparency.

Using DMO prices in the Ergon energy area

In accord with the Minister's stated preferred approach, QCA should continue to adopt an N+R approach to setting notified prices, with DMO adjustment.

Retail cost update

A full bottom-up reanalysis of retail costs should occur, rather than simply reapplying the previous years' benchmarks and methodology for annual update. The retail costs should then be set at the lower of:

- re-application of the previous years' methodology; and
- new bottom-up assessment.

It is noted that customers are encouraged to move to increasing 'self-service' and this should be taken into account in re-evaluation of retail costs.

Comparison of actual prices in the Ergon Energy area versus the Energex area

In the spirit of the Uniform Tariff Policy, QCA should seek to keep notified prices in the Ergon Energy area lower, given that 91% of customers in the Energex area, who are on market offers, pay lower prices.

Competitive neutrality

Origin Energy has entered the market in some regional cities, offering tariffs that appear to be priced \$20 below notified prices (with their own market terms and conditions). QCA should take care not to cause disruption to this embryonic competitive retail environment in the Ergon Energy area.

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Conclusion

Electricity is an essential service and equity in pricing should be an enduring feature of Queensland's energy system.

Research has shown that energy customers want simplicity in tariff/plan offerings and information. New tariff structures must be opt-in and adequately explained to customers, to allow for informed choices in relation to electricity use, investments (e.g. in consumer energy resources), and how they pay for electricity. Tariffs should incentivise efficient energy use and investments.

Thank you again for the opportunity to provide our submission.

Yours sincerely



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Chief Executive Officer



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